

1/25/84  
House Supplemental

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Comments on [redacted] Memorandum for the Record  
dated 17 January 1984 Regarding the 1984 Agenda for  
the House Post Office/Civil Service Committee as seen  
from the Minority Staff Viewpoint.

The minority staff (i.e. - Republican) viewpoint can be expected to be supportive of the administration's efforts to scale down Federal retirement system benefits both as regards the design and development of the new supplemental retirement system for employees hired after 31 December 1983 and future efforts to "reform" the existing system.

It is not surprising therefore that they have expressed negative reactions to the early indications that the Hay Associates study appears to be leaning toward the use of research data supportive of more generous benefits for new Federal employees rather than the selection of data that would appear to support reduced benefits. The minority will press for support of OPM authored legislation and will strive to influence the course of the Hay Associates efforts in formulating their studies and presentations before the total House Compensation and Employee Benefits sub-committee. In effect they will make every effort to influence Hay Associates to use data supportive of the Administration's perceptions that current Federal retirement benefits are too generous as compared to the private sector.

The issue of comparisons with private sector employee benefits (e.g. - total compensation) in firms employing 500 or more people vis a vis small firms with less than 500 employees has been raised by OPM in previous studies regarding salary level comparisons, job classification, and other non-retirement benefit areas.

Previous Federal government comparison studies have historically used the larger private employer firms as appropriate because of the size of the government as an employee. The use of small firms with 400 or less employees opens up indecision of thousands of small businesses that are paying less than competitive salaries and have inadequate pension systems or no pension systems at all. By and large, these same small firms are not competitive with the larger and more substantial private sector employees as regards attracting the best qualified employees, etc.

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[redacted] has indicated that he will now meet with the majority staff director of the House Compensation and Employee Benefits sub-committee to determine the majority staff viewpoint and obtain a balanced perception of the environment in which the House will struggle to develop a supplemental retirement system.

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Note: The Senate Committee is independently developing their own legislation proposals on a supplemental retirement system which may or may not resemble the House version of such a system.